

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2004 OF THE CONDITION AND AFFAIRS OF THE

Priority Health

	3383 33 ent Period) (Prior	Period) NA	AIC Company Code	95561	Employer's ID N	umber	38-2715520
Organized under the Laws of			, State	of Domicile o	r Port of Entry	Mi	chigan
Country of Domicile				s of America			
Licensed as business type:	Life, Accident & Heal	th []	Property/Casualty [] Denta	al Service Corporation	n[]	
•	Vision Service Corpo	ration[]	Other []	_	h Maintenance Orgai	nization [X	1
	Hospital, Medical & D	Dental Service		Is HM	IO, Federally Qualifie	ed? Yes []	No[X]
Incorporated	03/07/1986		Commenced Busin		-	10/15/1986	
Statutory Home Office		1 East Beltline		<u> </u>	Grand Rapids,		
•	(8)	Street and Numbe	er)	·	(City or Town, St		
Main Administrative Office				East Beltline			
	Rapids, MI 49525-4501			<u> </u>	616-464-8235		
` •	Town, State and Zip Code)	Nice - NIT		()	Area Code) (Telephone Nu	,	
Mail Address	1231 East Beli (Street and Number of	r P.O. Box)	, ,		Grand Rapids, MI 4 (City or Town, State and		
Primary Location of Books a	nd Records				st Beltline NE		
Grand F	Rapids, MI 49525-4501			(Street	and Number) 616-464-8235		
	Town, State and Zip Code)			(/	Area Code) (Telephone Nu	mber)	
Internet Website Address			www.prio	rity-health.cor	m		
Statutory Statement Contact		Malcolm Hall			616-464-		
malcolm	hall@priority-health.cor	(Name)			(Area Code) (Telephone 616-942-7916	Number) (Exter	nsion)
	(E-mail Address)		-		(FAX Number)		
Policyowner Relations Conta	ict						
		(Street and Nur	mber)				
(City or	Town, State and Zip Code)			(Area C	Code) (Telephone Number)	(Extension)	
			OFFICERS				
Name		Title	OFFICERS	Name			Title
Kimberly K Horn	, Chief	Executive Off	ficer Ji		enga ,		cretary
Dennis J Reese	, Chief	Financial Off	icer			-	
		0	THER OFFICER	RS			
		DIDEC	TORE OR TRU	CTEEC			
Richard C. Breon	Jo	Seph L Brock	TORS OR TRU	ろ I EES Harold E Burr	ell	Gavler	n J Byker
Craig H Bethune #		neth J Fawce		Michael P Fre			M Gans
David E Gast		ail D Gwizdala		erold R Harw			W Roth #
Nicholas P Kokx		nn M Kotecki		Peter B Lunde			E McCallum
Timothy V Smith Thomas J Wesholsk		lilary F Snell vid B Johnso		Dale M Sowde Dennis Aloia			Vanderwel H Baldwin
Stephen W Burkhamm		via B comico		201111071101		Barnon	T Balawiii
State of	.Michigan						
County of	Kent	SS					
•							
The officers of this reporting enti above, all of the herein described							
this statement, together with rela							
of the condition and affairs of the completed in accordance with the	e said reporting entity as o	f the reporting	period stated above, and of	its income and	d deductions therefrom f	or the period	ended, and have be
that state rules or regulations req							
respectively. Furthermore, the so							
exact copy (except for formatting to the enclosed statement.	differences due to electron	ic illing) of the	enciosed statement. The en	ectronic illing in	ay be requested by vario	Jus regulators	s in neu or or in additi
Kimberly K	Horn		Judith W Hooyenga			Dennis J Re	 ese
Chief Executiv	e Officer		Secretary		Chi	ef Financial	Officer
					this an original filing?	,	Yes [X] No [
Subscribed and sworn to be				b. If r	*	t numb	-
28thday of	February, 2005	_			State the amendmen Date filed	LITUITIDE	03/01/2005
					Number of pages atta	ached	
Cheryl Britcher	piotont	_		0.1	o. o. pagoo alle		
Executive Administrative Ass 12/30/2005	ારાવાાા						

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted
0199999 Total individuals		,				
Group subscribers:						
Group subscribers: NI PUBLIC SCHOOL EMPLOYEES RET	1,607,460	43,609	0	0	0	1,651,069
0299997 Group subscriber subtotal	1,607,460	43,609	0	0	0	1,651,069
0299998 Premiums due and unpaid not individually listed	2,968,039	549,970	0	0	0	
299999 Total group	4,575,499	593,579	0	0	0	5 , 125 , 469
0399999 Premiums due and unpaid from Medicare entities						
0499999 Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 12)	4,575,499	593,579	0	0	0	5,125,469

EXHIBIT 3 - HEALTH CARE RECEIVABLES

EXHIBIT 3 - HEALTH CARE RECLIVABLES												
1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted						
ndividually Listed Receivables: express Scripts	1,234,423	1,194,245 0	1,182,581	1,995,678 726,000	1,995,678 726,000	3,611,249						
0199998 - Aggregate of amounts not individually listed above.		2,184	85	89,488								
0199999 -	1,234,423		1,182,666	2,811,166	2,811,166	3,613,518						
0799999 Gross health care receivables	1,234,423	1,196,429	1,182,666	2,811,166	2,811,166	3,613,518						
0/33333 CIOSS HEALTH CALE TECEIVADIES	1,234,423	1,190,429	1,102,000	2,011,100	2,011,100	3,013,310						

EXHIBIT 4 – CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

	Aging Analysis of Unpaid	Claims	_	-	_	-
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
Claims Unpaid (Reported)						
						†
						•
						†
0199999 Individually listed claims unpaid	0	0	0	0	0	0
0299999 Aggregate accounts not individually listed-uncovered	1,868,373					1,868,373
0399999 Aggregate accounts not individually listed-covered	14,644,644					14,644,644
0499999 Subtotals	16,513,017	0	0	0	0	16,513,017
0599999 Unreported claims and other claim reserves						55,048,752
0699999 Total amounts withheld						821,818
0799999 Total claims unpaid						72,383,587
0899999 Accrued medical incentive pool and bonus amounts						35,588,611

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Adm	itted
· ·	_	_	•		_	7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Individually Listed Receivables: Priority Health Managed Benefits	337,653				0	337,653	0
			 				
0199999 Individually listed receivables 0299999 Receivables not individually listed	337 , 653	0	0	0	0	337 , 653	0
0299999 Receivables not individually listed	007.050					007.050	
0399999 Total gross amounts receivable	337,653	0	0	0	0	337,653	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5
Affiliate	Description	Amount	Current	Non-Current
Priority Health Managed Benefits	Trade / Management Fee	2,982,703	2,982,703	
Spectrum Hospital	Risk Share	1,927,231	1,927,231	
0199999 Individually listed payables		4,909,934	4,909,934	0
0299999 Payables not individually listed		54,725	54,725	
0199999 Individually listed payables		4,964,659	4,964,659	0

Ŋ

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Priority Health

EXHIBIT 7 PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

	1	2	3	4	5	6
	Direct Medical	Column 1	Total	Column 3	Column 1	Column 1
	Expense	as a %	Members	as a %	Expenses Paid to	Expenses Paid to
Payment Method	Payment	of Total	Covered	of Total	Affiliated Providers	Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	51,480,789	6.5		0.0	51,480,789	
2. Intermediaries	0	0.0		0.0		
3. All other providers	170,169,636	21.4		0.0	170 , 169 , 636	
4. Total capitation payments	221,650,425	27 .8	0	0.0	221,650,425	0
Other Payments:						
5. Fee-for-service	47,962,505	6.0	XXX	XXX		47 ,962 ,505
6. Contractual fee payments	0	0.0	XXX	XXX		
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
Bonus/withhold arrangements - contractual fee payments	527,215,909	66.2	XXX	XXX	527 , 215 , 909	
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	575,178,414	72.2	XXX	XXX	527,215,909	47,962,505
13. TOTAL (Line 4 plus Line 12)	796,828,839	100 %	XXX	XXX	748,866,334	47,962,505

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1	2	3	4 Average Monthly	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized
NAIC Code	Name of Intermediary	Capitation Paid	Capitation	Total Adjusted Capital	Control Level RBC
	NONE				
9999999 Totals			XXX	XXX	XXX

EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
Administrative furniture and equipment	4,239,144		4,231,358	7,786	7,786	0
Medical furniture, equipment and fixtures						
Pharmaceuticals and surgical supplies						
Durable medical equipment						
Other property and equipment	7,337,285		7,216,029	121,256	121,256	0
6. Total	11,576,429	0	11,447,387	·	129,042	0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Priority Health

NAIC Group Code 3383 BUSINESS IN THE STATE OF	Michigan				DURING THE YE	AR 2004				(LOCA	TION) NAIC Compa	ny Code	95561
THE GIVE OF THE GIVE OF	1	Compre (Hospital 8		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year		786	334,694										
2 First Quarter	354,266	792	353,474										
3 Second Quarter	356,090	855	355,235										
4. Third Quarter	358,953	852	358,101										
5. Current Year	363,563	862	362,701										
6 Current Year Member Months	4,283,334	10,045	4,273,289										
Total Member Ambulatory Encounters for Year:													
7. Physician	2,368,822	5,555	2,363,267										
8. Non-Physician	64,233	151	64,082										
9. Total	2,433,055	5,706	2,427,349	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	74,365	174	74,191										
11. Number of Inpatient Admissions	19,794	46	19,748										
12. Health Premiums Written	939 , 283 , 100	2,842,226	936,440,874										
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	936,875,019	2,834,940	934,040,079										
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	796,828,839	3,361,221	793 , 444 , 806						22,812				
18. Amount Incurred for Provision of Health Care Services	799,539,130	3,372,071	796,161,929						5,130				

(a) For health business: number of persons insured under PPO managed care products



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Priority Health (LOCATION)

AIC Group Code 3383 BUSINESS IN THE STATE	OF Consolidated			DURING THE YEAR 2004 NAIC Company Code 95561		95561							
	1		ehensive & Medical)	4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	335,480	786	334,694	0	0	0	0	0	0	0	0	0	0
2 First Quarter	354,266	792	353,474	0	0	0	0	0	0	0	0	0	0
3 Second Quarter	356,090	855	355,235	0	0	0	0	0	0	0	0	0	0
4. Third Quarter	358,953	852	358,101	0	0	0	0	0	0	0	0	0	0
5. Current Year	363,563	862	362,701	0	0	0	0	0	0	0	0	0	0
6 Current Year Member Months	4,283,334	10,045	4,273,289	0	0	0	0	0	0	0	0	0	0
Total Member Ambulatory Encounters for Year:													
7. Physician	2,368,822	5,555	2,363,267	0	0	0	0	0	0	0	0	0	0
8. Non-Physician	64,233	151	64,082	0	0	0	0	0	0	0	0	0	0
9. Total	2,433,055	5,706	2,427,349	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	74,365	174	74,191	0	0	0	0	0	0	0	0	0	0
11. Number of Inpatient Admissions	19,794	46	19,748	0	0	0	0	0	0	0	0	0	0
12. Health Premiums Written	939 , 283 , 100	2,842,226	936,440,874	0	0	0	0	0	0	0	0	0	0
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned	936,875,019	2,834,940	934,040,079	0	0	0	0	0	0	0	0	0	0
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services	796,828,839	3,361,221	793,444,806	0	0	0	0	0	22,812	0	0	0	0
18. Amount Incurred for Provision of Health Care Services	799,539,130	3,372,071	796,161,929	0	0	0	0	0	5,130	0	0	0	0

SCHEDULE A - VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value, December 31, prior year (prior year statement)	554,388
2.	Increase (decrease) by adjustment:	
	2.1 Totals, Part 1, Column 11	(150,264)
	2.1 Totals, Part 1, Column 11	0
3.	Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9)	0
4.	Cost of additions and permanent improvements:	
	4.1 Totals, Part 1, Column 14	0
	4.2 Totals, Part 3, Column 9	0
5.	Total profit (loss) on sales, Part 3, Column 14	0
6.	Increase (decrease) by foreign exchange adjustment:	
	6.1 Totals, Part 1, Column 12	0
	6.2 Totals, Part 3, Column 8	
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 13	0
8.	Book/adjusted carrying value at end of current period	404 , 124
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	404 , 124
11.	Total nonadmitted amounts	181,856
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	222,268

SCHEDULE B - VERIFICATION BETWEEN YEARS

1.	Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year
2.	Amount loaned during year:
	2.1 Actual cost at time of acquisitions
	2.2 Additional investment made after acquisitions
3.	Accrual of discount and mortgage interest points and commitment fees
4.	Increase (decrease) by adjustment
5.	Total profit (loss) on sale
6.	Amounts paid on account or in full during the year
	Amortization of premium
	Increase (decrease) by foreign exchange adjustment
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period
10.	Total valuation allowance
11.	Subtotal (Lines 9 plus 10)
12.	Total nonadmitted amounts
13.	Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column).

SCHEDULE BA - VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		5,194,341
2.	Cost of acquisitions during year:		
	2.1 Actual cost at time of acquisitions	7,800,000	
	2.2 Additional investment made after acquisitions	3,000,000	10,800,000
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		(776,965)
5.	lotal profit (loss) on sale		
6.	Amounts paid on account or in full during the year		
7.	Amortization of premium		
Ω	Increase (decrease) by foreign eychange adjustment		
9.	Book/adjusted carrying value of long-term invested assets at end of current period		15 , 217 , 376
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		15 , 217 , 376
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period (Page 2. Line 7, Column 3)		15,217,376

5.7 Totals

8.136.617

17.152.435

7.327.425

3.554.179

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Priority Health

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations 10 Over 1 Year Through Over 5 Years Through Over 10 Years Total from Col. 6 % From Col. 7 Total Publicly Total Privately Placed Col. 6 as a Quality Rating per the NAIC Designation 10 Years Through 20 Years Over 20 Years Total Current Year % of Line 10.7 Prior Year Prior Year Traded 1 Year or Less 5 Years (a) 1. U.S. Governments, Schedules D & DA (Group 1) .19,406,593 ..3,202,287 .448 . 885 .86,965 ..84,125,271 .33.2 ..62,363,094 .53.7 ..84,125,271 1.1 Class 1 1.2 Class 2 0.0 0.0 1.3 Class 3 ..0.0 .0.0 1.4 Class 4 0.0 .0.0 0.0 1.5 Class 5 ..0.0 1.6 Class 6 0.0 0.0 19.406.593 448.885 86.965 84.125.271 33.2 62.363.094 53.7 60.980.541 3.202.287 84.125.271 1.7 Totals 2. All Other Governments, Schedules D & DA (Group 2) 2.1 Class 1 0.0 .0.0 ..0.0 .0.0 2.2 Class 2 ..0.0 .0.0 2.3 Class 3 2.4 Class 4 0.0 0.0 2.5 Class 5 ..0.0 .0.0 2.6 Class 6 0.0 0.0 0.0 0.0 2.7 Totals 3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3) 0.0 0.0 3.2 Class 2 0.0 ..0.0 3.3 Class 3 .0.0 .0.0 .0.0 .0.0 3.4 Class 4 3.5 Class 5 0.0 .0.0 3.6 Class 6 0.0 0.0 3.7 Totals 0.0 0.0 4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4) .174,642 0.1 ..174,605 0.2 ..174,642 4.1 Class 1 4.2 Class 2 .0.0 .0.0 0.0 4.3 Class 3 0.0 0.0 4.4 Class 4 .0.0 4.5 Class 5 0.0 .0.0 0.0 0.0 4.6 Class 6 4.7 Totals 174.642 174,642 0.1 174,605 0.2 174.642 5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5) .14.4 ..17.2 5.1 Class 1 .8.136.617 ..17,152,435 ..7,327,425 ...3,554,179 .362,045 .36,532,701 .19,957,293 .36,532,701 ..0.0 5.2 Class 2 ..0.0 5.3 Class 3 0.0 0.0 5.4 Class 4 .0.0 .0.0 5.5 Class 5 ..0.0 ..0.0 0.0 0.0 5.6 Class 6

362.045

36.532.701

14.4

19.957.293

17.2

36.532.701

9.1 Class 1

9.2 Class 2

9.3 Class 3

9.4 Class 4

9.5 Class 5.

9.6 Class 6

9.7 Totals

9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Priority Health

SCHEDULE D - PART 1A - SECTION 1 (continued) Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

10 Over 1 Year Through Over 5 Years Through Over 10 Years Col. 6 as a Total from Col. 6 % From Col. 7 Total Publicly Total Privately Placed Quality Rating per the NAIC Designation 1 Year or Less 5 Years 10 Years Through 20 Years Over 20 Years **Total Current Year** % of Line 10.7 Prior Year Prior Year Traded (a) 6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6) 0.0. 6.1 Class 1 .0.0 6.2 Class 2 .311,977 ..311,977 0.1 0.0 ..311,977 0.0 6.3 Class 3 .0.0 6.4 Class 4 ..0.0 0.0 ..0.0 6.5 Class 5. .0.0 0.0 0.0 6.6 Class 6 311.977 311.977 0.1 6.7 Totals 0.0 311.977 7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7) 7.1 Class 1 ..81,243,757 .29,183,762 .11,696,491 .536,699 .122,660,709 .48.3 ..29,559,385 .25.5 .122,660,708 ...3,663,227 7.2 Class 2 ...3,162,800 ..3,069,881 ...9,895,908 ..3.9 ...4,080,671 ...9,895,909 7.3 Class 3 0.0 0.0. 7.4 Class 4 0.0 0.0 0.0 7.5 Class 5 .0.0 0.0 7.6 Class 6 0.0 84.406.557 32.846.989 14.766.372 536.699 132.556.617 52.2 33.640.056 29.0 132.556.617 7.7 Totals 8. Credit Tenant Loans, Schedules D & DA (Group 8) 0.0 8.1 Class 1 .0.0 8.2 Class 2 0.0. .0.0 8.3 Class 3 ..0.0 .0.0 8.4 Class 4 0.0 .0.0 8.5 Class 5 0.0 .0.0 0.0 8.6 Class 6 0.0 0.0 8.7 Totals 0.0

..0.0

..0.0

0.0

0.0.

0.0

0.0

0.0

.0.0

.0.0

.0.0

.0.0

0.0

0.0

SCHEDULE D - PART 1A - SECTION 1 (continued)

		Quality and Maturi	ty Distribution of All Be	onds Owned Decembe	r 31, at Book/Adjuste	d Carrying Values by M	lajor Types of Issues	and NAIC Designations	3		
	1	2	3	4	5	6	7	8	9	10	11
		Over 1 Year Through	Over 5 Years Through	Over 10 Years			Col. 6 as a	Total from Col. 6	% From Col. 7	Total Publicly	Total Privately Placed
Quality Rating per the NAIC Designation	1 Year or Less	5 Years	10 Years	Through 20 Years	Over 20 Years	Total Current Year	% of Line 10.7	Prior Year	Prior Year	Traded	(a)
10. Total Bonds Current Year											
10.1 Class 1	150,360,915	65,742,790	22,400,845	4 , 539 , 763	449,010	243,493,323	96.0	XXX	XXX	243,493,322	0
10.2 Class 2	3,162,800	3,975,204	3,069,881	0	0	10,207,885	4.0	XXX	XXX	10 , 207 , 886	0
10.3 Class 3	٥	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	0	0	0	0	0	(c)0	0.0	XXX	XXX	0	0
10.6 Class 6	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.7 Totals	153,523,715	69,717,994	25,470,726	4,539,763	449,010	^(b) 253,701,208	100.0	XXX	XXX	253,701,208	0
10.8 Line 10.7 as a % of Col. 6	60.5	27.5	10.0	1.8	0.2	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Class 1	62,235,543	40,439,268	8,390,819	901,775	86,972	XXX	ХХХ	112,054,377	96.5	112,054,377	0
11.2 Class 2	0	1,830,538	2,250,133	0	0	XXX	ХХХ	4,080,671	3.5	4,080,671	0
11.3 Class 3	0	0	0	0	0	ХХХ	ХХХ	0	0.0	0	0
11.4 Class 4	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Class 5	0	0	0	0	0	XXX	XXX	(c)0	0.0	0	0
11.6 Class 6	0	0	0	0	0	XXX	XXX	(c)0	0.0	0	0
11.7 Totals	62,235,543	42,269,806	10,640,952	901,775	86,972	ХХХ	XXX	(b)116,135,048	100.0	116 , 135 , 048	0
11.8 Line 11.7 as a % of Col. 8	53.6	36.4	9.2	0.8	0.1	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Class 1	150,360,915	65,742,790	22,400,845	4 ,539 ,763	449,010	243,493,323	96.0	112,054,377	96.5	243,493,323	XXX
12.2 Class 2	3,162,800	3,975,205	3,069,881	0	0	10,207,886	4.0	4,080,671	3.5	10,207,886	XXX
12.3 Class 3	0	0				0	0.0	0	0.0	0	XXX
12.4 Class 4						0	0.0	0	0.0	0	XXX
12.5 Class 5	0	0	0	0		0	0.0	0	0.0	0	XXX
12.6 Class 6						0	0.0	0	0.0	0	XXX
12.7 Totals	153,523,715	69,717,995	25,470,726	4 , 539 , 763	449,010	253,701,209	100.0	116,135,048	100.0	253,701,209	XXX
12.8 Line 12.7 as a % of Col. 6	60.5	27 .5	10.0	1.8	0.2	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7,											
Col. 6, Section 10	60.5	27.5	10.0	1.8	0.2	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1						0	0.0	0	0.0	XXX	٥
13.2 Class 2						0	0.0	0	0.0	XXX	0
13.3 Class 3			ļ			0	0.0	0	0.0	XXX	0
13.4 Class 4		.	ļ			0	0.0	0	0.0	XXX	0
13.5 Class 5						0	0.0	0	0.0	XXX	0
13.6 Class 6						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7,											
Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

⁽a) Includes \$ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

SCHEDULE D - PART 1A - SECTION 2

				PANI IA							
	Maturity Distribu	ition of All Bonds O		at Book/Adjusted Co	arrying Values by M		pe of Issues		1		
	1	2	3	4	5	6	7	8	9	10	11
		Over 1 Year	Over 5 Years	Over 10 Years			Col. 6 as a %	Total from Col 6	% From Col. 7	Total Publicly	Total Privately
Distribution by Type	1 Year or Less	Through 5 Years	Through 10 Years	Through 20 Years	Over 20 Years	Total Current Year	of Line 10.7	Prior Year	Prior Year	Traded	Placed
1. U.S. Governments, Schedules D & DA (Group 1)	CO 000 F00	40 005 000	0 540 600			04 000 000	20.0	CO 0C0 004	F0 7	04 000 000	
1.1 Issuer Obligations	60,803,503	18,325,866	2,510,620	440.005	00.005	81,639,989	32.2	62,363,094	53.7	81,639,989	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	177,038	1,080,727	691,667	448,885	86,965	2,485,282	1.0	U	0.0	2,485,282	
1.7 Totals	60,980,541	19,406,593	3,202,287	448,885	86,965	84,125,271	33.2	62,363,094	53.7	84,125,271	0
2. All Other Governments, Schedules D & DA (Group 2)			1			0	0.0	0	0.0		
2.1 Issuer Obligations								U			
2.2 Single Class Mortgage-Backed/Asset-Backed Securities							0.0	U	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 2.3 Defined						0	0.0	0	0.0		
2.4 Other	• • • • • • • • • • • • • • • • • • • •					U	0.0	 N	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-							0.0	U	0.0		
BACKED SECURITIES											
2.5 Defined						0	0.0	0	0.0		
						0	0.0	 N	0.0		
2.6 Other	^		0	0	^	Ů		0		0	0
2.7 Totals	U	Ü	U	U	0	0	0.0	Ü	0.0	Ü	Ü
3. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3)			1			0	0.0	0	0.0		
3.1 Issuer Obligations						U		U			
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						U	0.0	U	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 3.3 Defined						0	0.0	0	0.0		
3.4 Other							0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-						U		U			
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
3.5 Defined						0	0.0	0	0.0		
						0	0.0 0.0	U	0.0		
3.6 Other	^		^			•		U		^	•
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Sched	ules D & DA (Group 4)		474 C40			174,642	0.1	474 005	0.0	474 C40	
4.1 Issuer Obligations			174,642			174,042 0		174,605	0.2	174,642	
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						U	0.0	U	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 4.3 Defined						0	0.0	0	0.0		
4.4 Other							0.0		0.0		
4.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-			• • • • • • • • • • • • • • • • • • • •			U		U	0.0		
BACKED SECURITIES						0	0.0	0	0.0		
4.5 Defined						U		U			
4.6 Other			474 040		^	474 040	0.0	474 005	0.0	474 040	^
4.7 Totals	0	0	174,642	0	0	174,642	0.1	174,605	0.2	174,642	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Sched		4 757 045	1			E 007 FFF	2.2	C FOO 407	F ^	F 007 FFF	
5.1 Issuer Obligations	3,940,210	1,757,345	7 007 405	0 554 470	000 045	5,697,555		6,529,437	5.6	5,697,555	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	3,971,611	14 , 151 , 082	7 ,327 ,425	3 , 554 , 179	362,045	29,366,342	11.6	12,899,753	11.2	29, 366, 342	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 5.3 Defined	224.797	1.244.008				1,468,805	0.6	528 , 103	0.5	1,468,804	
	224,191	1 , ∠44 , 008				1,400,000		320 , 103	0.0	1 , 400 , 004	
5.4 Other						l	0.0	L			
BACKED SECURITIES						_	0.0	_	0.0		
5.5 Defined						J	0.0	L	0.0 0.0		
5.6 Other	0 100 010	47 450 405	7 007 405	0.554.470	000 015	00 500 700	0.0	40.057.000		00 500 701	^
5.7 Totals	8,136,618	17,152,435	7,327,425	3,554,179	362,045	36,532,702	14.4	19,957,293	17.3	36,532,701	0

SCHEDULE D - PART 1A - SECTION 2 (continued) Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1	2	3		_						
		4	•	4	5	6	7	8	9	10	11
		Over 1 Year Through	Over 5 Years	Over 10 Years			Col. 6 as a	Total from Col. 6	% From Col. 7	Total Publicly	Total Privately
Distribution by Type 1	1 Year or Less	5 Years	Through 10 Years	Through 20 Years	Over 20 Years	Total Current Year	% of Line 10.7	Prior Year	Prior Year	Traded	Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Grou	up 6)										
6.1 Issuer Obligations		311,977				311,977	0.1	0	0.0	311,977	
6.2 Single Class Mortgage-Backed/Asset-Based											
Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
6.3 Defined						0	0.0	0	0.0		
6.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
6.5 Defined						0	0.0	0	0.0		
6.6 Other						0	0.0	0	0.0		
6.7 Totals	0	311,977	0	0	0	311,977	0.1	0	0.0	311,977	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D	D & DA (Group 7)										
7.1 Issuer Obligations	83,023,113	24,231,860	12,159,817	496,014		119,910,804	47 . 3	32,295,107	27 .8	119,910,804	
7.2 Single Class Mortgage-Backed/Asset-Based											
Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
7.3 Defined						0	0.0	0	0.0		
7.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
7.5 Defined	1,383,444	8,615,129	2,606,555	40,685		12,645,813	5.0	1,343,156	1.2	12,645,813	
7.6 Other						0	0.0	1,792	0.0		
7.7 Totals	84,406,557	32,846,989	14,766,372	536,699	0	132,556,617	52.2	33,640,056	29.0	132,556,617	0
8. Credit Tenant Loans, Schedules D & DA (Group 8)		•									
8.1 Issuer Obligations						0	0.0	0	0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parents, Subsidiaries and Affiliates, Schedules D & DA	A (Group 9)										
9.1 Issuer Obligations						0	0.0	0	0.0		
9.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
9.3 Defined						0	0.0	0	0.0		
9.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
9.5 Defined						0	0.0	0	0.0		
9.6 Other						0	0.0	0	0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued) Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Maturity Distrib	oution of All Bond	s Owned Decemb	er 31, at Book/Ad	Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of	ues by major iyp	e and Subtype of	senes				
	-	2 Over 1 Vear	3 Over 5 Vears	Over 10 Years	Ω	6 Total	7 7 9 8 9 8 9 %	8 Total From Col 6	9 % From Col 7	10 Total Publich	11 Total Privately
Distribution by Type	1 Year or Less	Through 5 Years	ร	E	Over 20 Years	Current Year	of Line 10.7	Prior Year	Prior Year	Traded	Placed
tal Bonds Current Year		•		,							
10.1 Issuer Obligations	147,766,826	44,627,048	14,845,079	496,014	0	207,734,967	81.9	XXX	XXX	207,734,967	0
0,	4,148,649	15,231,809	8,019,092	4,003,064	449,010	31,851,624	12.6	XXX	XXX	31,851,624	0
	707 100	4 244 000	C	C	C	1 460 005	9	>>>	>>>	1 460 004	C
10.3 Delined 10.4 Other	0 (1,452		0	DC	00	0,400,003	0.0	XXX	XXX		0.0
_	0.	0.	9		2)))
10.5 Defined	1,383,444	8,615,129	2,606,555	40,685	0	12,645,813	5.0	XXX	XXX	12,645,813	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	153,523,716	466, 717, 69	25,470,726	4,539,763	449,010	253,701,209	100.00	XXX	XXX	253,701,208	0
10.8 Line 10.7 as a % of Col. 6	60.5	27.5	10.0	1.8	0.2	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Issuer Obligations	62,216,322	31,395,280	7,750,641	0	0	XXX	XXX	101,362,243	87.3	101,362,243	0°
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	9,020,690	2,890,312	901,75	80,972	γγγ	γγγ	12,899,754	L'.L.	12,899,754	0
	19 221	508 882	O	C	0	XXX	XXX	528 103	5.0	528 103	0
11.4 Other	0	0	0	0	0	XXX	XXX	0	0.0	00, ,00	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined	0	1,343,156	0	0	0	XXX	XXX	1,343,156	1.2	1,343,156	0
11.6 Other	0	1,792	0	0	0	XXX	XXX	1,792	0.0	1,792	0
11.7 Totals	62 235 543	42,269,806	10,640,952	901.775	86.972	XXX	XXX	116 135 048	100.0	116 135 048	0
11.8 Line 11.7 as a % of Col. 8	53.6	36.4	9.2	0.8	0.1	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	147,766,825	44.627.049	14.845.080	496.014		207, 734, 968	81.9	101,362,243	87.3	207, 734, 968	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	4 148 649	15 231 810	8 019 092	4 003 064	449 010	31 851 625	12.6	12 899 754	11 1	31 851 625	XXX
	0.00	0.0, 0.7, 0.1	20,00,00			0,00,00	2				
_	224,797	1,244,008				1,468,805	9.0	528,103	0.5	1,468,805	XXX
12.4 Other						0	0.0	0	0.0	0	XXX
_											
_	1,383,444	8,615,129	2,606,555	40,685		12,645,813	5.0	1,343,156	1.2	12,645,813	XXX
12.6 Other						0	0.0	1,792	0.0	0	XXX
12.7 Totals	153,523,715	69,717,996	25,470,727	4,539,763	449,010	253,701,211	100.0	116,135,048	100.0	253,701,211	XXX
Line 12.7 as a % of Col. 6	6.00	G. 12	0.01	× ×	7.0	100.00	γγγ	γγγ	γγγ	0.001	γγγ
12.3 LINE 12.7 as a % of LINE 10.7, COI. b, Section 10	0.00	C. 12	0.01	0	7.0	0.001	۷۷۷	۷۷۷	۷۷۷	0.001	VVV
								C		۸۸۸	C
13.2 Single Class Mortgage-Packed/Asset-Backed Securities						C	0.0	0	0.0	XXX	0.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
13.3 Defined						O ·	0.0	Õ	0.0	XXX	0
_						0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES								C	C	>>>	C
13.5 Defined						00	0.0	0	0.0	XXX	0.0
- '	U	U	O	<u> </u>	C		0.0	0	0.0	XXX	
	0 0	0 0	0 0	0		0		XXX	2 XXX	XXX	0
. –	0.0	0.0	0.0	0 0	0.0	0 0	XXX	XXX	XXX	XXX	0.0
Ή.											

SCHEDULE DA - PART 2

Verification of SHORT-TERM INVESTMENTS Between Years

Verification of SHORT-TERM INVES	SIMENIS Between Years				•
	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
Book/adjusted carrying value, prior year	151,694,869	151,694,869	0	0	0
Cost of short-term investments acquired	270,820,690	270,820,690			
3. Increase (decrease) by adjustment	(1,186,880)	(1,186,880)			
4. Increase (decrease) by foreign exchange adjustment	0				
5. Total profit (loss) on disposal of short-term investments	(569)	(569)			
6. Consideration received on disposal of short-term investments	292,842,432	292,842,432			
7. Book/adjusted carrying value, current year	128,485,678	128,485,678	0	0	
8. Total valuation allowance	0	0			
9. Subtotal (Lines 7 plus 8)	128,485,678	128,485,678	0	0	
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	128,485,678	128,485,678	0	0	
12. Income collected during year	1,680,512	1,680,512			
13. Income earned during year	2,018,644	2,018,644			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Schedule DB - Part A - VBY

NONE

Schedule DB - Part B - VBY NONE

Schedule DB - Part C - VBY NONE

Schedule DB - Part D - VBY

NONE

Schedule DB - Part E - VBY NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S - Part 1 - Section 2

NONE

SCHEDULE S - PART 2

	Reins	urance Recoverat	DIE ON Paid and Unpaid Losses Listed by Re	insuring Company as of December 31 Cur	rent Vear	
1	2	3	4	5	6	7
NAIC						
Company	Federal ID					
Code	Number	Effective Date	Name of Company Allianz Life Insurance Company	Location		Unpaid Losses
0400000 Appir	41-1366075	09/01/2000	Allianz Life Insurance Company	Minnesota	0	0
0699999 - ACCTO	dent and Health Is – Accident an	d Health			0	
1010	10 Noordont an	d riodritii			Ů	
		•				
						····
					1	
	·····					
	·····					
						ļ
		 				}
					1	
						ļ
						<u> </u>
						ļ
						l
	·····					
						}
		İ			1	İ
						
		İ			1	İ
						
					1	İ
0799999 - Tot	tals				0	I

SCHEDULE S - PART 3 - SECTION 2

			Re	einsurance Ceded Accident and Health Insu	rance Listed	by Reinsuring Con	npany as of Decemb	er 31, Current Year				
1	2	3	4	5	6	7	0	Ω	Outstanding	Surplus Relief	12	13
NAIC								Reserve Credit Taken Other than for Unearned Premiums	10	11	Modified	
Company Code	Federal ID						Unearned Premiums	Taken Other than for			Coinsurance	Funds Withheld Under Coinsurance
Code	Number	Effective Date	Name of Company	Location	Туре	Premiums 1,055,863	(estimated)	Unearned Premiums	Current Year	Prior Year	Reserve	Under Coinsurance
90611			Allianz Life Insurance Company	Minnesota	SSL/L/I	1,000,000	0	0	0	0	0	0
0199999 -	· Total Affiliate	S				1,055,863						
		•										
	· · · · · · · · · · · · · · · · · · ·	• • • • • • • • • • • • • • • • • • • •				• • • • • • • • • • • • • • • • • • • •						
						• • • • • • • • • • • • • • • • • • • •						
	· · · · · · · · · · · · · · · · · · ·	•				•						
						• • • • • • • • • • • • • • • • • • • •						
	·····	•				•						
		•			+	•						
					†							
		•				• • • • • • • • • • • • • • • • • • • •						
					<u></u>							
		•				• • • • • • • • • • • • • • • • • • • •						
						• • • • • • • • • • • • • • • • • • • •						
	· · · · · · · · · · · · · · · · · · ·	•			•	•						
						• • • • • • • • • • • • • • • • • • • •						
								ļ				
					ł						-	·
	· · · · · · · · · · · · · · · · · · ·	•			†	• • • • • • • • • • • • • • • • • • • •						
					1							
						• • • • • • • • • • • • • • • • • • • •						
						•						
						•						
					 		·	l			·	
											-	-
0399999	Totale	•			+	1,055,863						
U399999	างเสร					1,000,600					1	1

47

SCHEDULE S - PART 4 Reinsurance Ceded to Unauthorized Companies

NAIC Paid and Unpaid Sum of Col	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Company	Federal ID Number		Name of Reinsurer		Losses Recoverable	Other Debits	Total Cols. (5+6+7)		Trust Agreements	Funds Deposited by and Withheld from Reinsurers		Miscellaneous	Sum of Cols. 9+10+11+12+13 But Not in Excess of Col. 8
														
														
119000 Trials														
1100000 Totals														
119999 Totals														
119999 Totals														
119999 Totals														
119999 Totals														
119999 Totals														
1199990 Totals		· · · · · · · · · · · · · · · · · · ·												
1199999 Totals														
1190909 Totals														
1199999 Totals														
1190909 Totals														
1190909 Totals														
1190909 Totals														
1190909 Totals														
1190909 Totals														
1199999 Totals		•												
1199999 Totals														
	1199999	Totals												

Schedule S-Part 5 Five-Year Exhibit of Reinsurance Ceded Business (000 Omitted)

		(000 C	millea)			
		1 2004	2 2003	3 2002	4 2001	5 2000
Α. (DPERATIONS ITEMS					
1.	Premiums	1,056	1,517	1,283	1,111	1,488
2.	Title XVIII-Medicare	0	0	0	0	0
3.	Title XIX-Medicaid	0	0	117	117	111
4.	Commissions and reinsurance expense allowance		0	0	0	0
5.	Total hospital and medical expenses		0	0	0	0
В. І	BALANCE SHEET ITEMS					
6.	Premiums receivable		0	0	0	0
7.	Claims payable		0	0	0	0
8.	Reinsurance recoverable on paid losses	0	139	0	0	515
9.	Experience rating refunds due or unpaid		0	0	0	0
10.	Commissions and reinsurance expense allowances unpaid		0	0	0	0
11.	Unauthorized reinsurance offset	0	0	0	0	0
C. I	JNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12.	Funds deposited by and withheld from (F)	0	0	0	0	0
13.	Letters of credit (L)	0	0	0	0	0
14.	Trust agreements (T)	0	0	0	0	0
15.	Other (O)	0	0	0	0	0

SCHEDULE S-PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	•	1	2	3
		As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 10)	277 , 475 , 223		277 , 475 , 223
2.	Accident and health premiums due and unpaid (Line 12)	5 , 125 , 469		5 , 125 , 469
3.	Amounts recoverable from reinsurers (Line 13.1)	0		0
4.	Net credit for ceded reinsurance.	XXX	0	0
5.	All other admitted assets (Balance)	6,214,851		6,214,851
6.	Total assets (Line 26)	288,815,543	0	288,815,543
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	72,383,587	0	72,383,587
8.	Accrued medical incentive pool and bonus payments (Line 2)	35,588,611		35,588,611
9.	Premiums received in advance (Line 8)	16,525,719		16,525,719
10.	Reinsurance in unauthorized companies (Line 18)	0		0
11.	All other liabilities (Balance)	9,293,338		9,293,338
12.	Total liabilities (Line 22)	133,791,255	0	133 , 791 , 255
13.	Total capital and surplus (Line 30)	155,024,288	XXX	155,024,288
14.	Total liabilities, capital and surplus (Line 31)	288,815,543	0	288,815,543
	NET CREDIT FOR CEDED REINSURANCE			
15.	Claims unpaid	0		
16.	Accrued medical incentive pool.	0		
17.	Premiums received in advance	0		
18.	Reinsurance recoverable on paid losses	0		
19.	Other ceded reinsurance recoverables	0		
20.	Total ceded reinsurance recoverables	0		
21.	Premiums receivable	0		
22.	Unauthorized reinsurance	0		
23.	Other ceded reinsurance payables/offsets	0		
24.	Total ceded reinsurance payable/offsets	0		
25.	Total net credit for ceded reinsurance	0		

22

SCHEDULE Y (continued) PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

		PANTZ - SUMMAN	1 01 1143	UNLN 3	INANSA		WILLIAM TO			LJ		
NAIC Company Code	Number	Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	10	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	13 Reinsurance Recoverable/ (Payable) on Losse and/or Reserve Credit Taken/(Liability)
	38 - 3085182 38 - 3382353	Priority Health Managed Benefits Spectrum Health Corporation. Priority Health Government Programs Priority Health Insurance Company					(67, 265, 354)		· · · · · · · · · · · · · · · · · · ·		(67,265,354)	
	38 - 3382353	Spectrum Health Corporation					0				0	
11520 12208	32-0016523 20-1529553	Priority Health Government Programs		(3,000,000) (7,800,000)							(3,000,000)	
12208	20 - 1529553	Priority Health Insurance Company		(7,800,000)							(7,800,000)	
					ļ							•
												
					ļ				ļ			
									ļ			
									ļ			
										•		
										•		
					•							
					1							
									· · · · · · · · · · · · · · · · · · ·			
					†							
					t				·			
					†							
					†							
	-				†							
					 				l			
I					t				ŀ			
					 				l			
												
9999999 Control Totals			0	(10.800.000)	0	0	(67.265.354)	0	XXX	0	(78.065.354)	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

1.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	YES	[]	NU	[]		
2.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES	[X]	NO	[]		
3.	Will an actuarial certification be filed by March 1?	YES	[X]	NO	[]		
4.	Will the Risk-based Capital Report be filed with the NAIC by March 1?	YES	[X]	NO	[]		
5.	Will the Risk-based Capital Report be filed with the state of domicile, if required by March 1?	YES	[X]	NO	[]		
6.	Will the Life Supplement be filed the state of domicile and the NAIC by March 1?	YES	[]	NO	[X]		
7.	Will the Property/Casualty Supplement be filed the state of domicile and the NAIC by March 1?	YES	[]	NO	[X]		
	APRIL FILING						
8.	Will Management's Discussion and Analysis be filed by April 1?	YES	[X]	NO	[]		
9.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile by April 1?	YES	[]	NO	[X]		
10.	Will the Investment Risks Interrogatories be filed by April 1?	YES	[X]	NO	[]		
JUNE FILING							
11.	Will an audited financial report be filed by June 1 with the state of domicile?	YES	[X]	NO	[]		

EXPLANATIONS:

- 1 n/a
- 6. n/a
- 7. n/a
- 9. n/a

BAR CODE:









OVERFLOW PAGE FOR WRITE-INS